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SOAH DOCKET NO. 473-21-0538

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APPLICATION OF SOUTHWESTERN  
ELECTRIC POWER COMPANY FOR  
AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO CITIES  
ADVOCATING REASONABLE DEREGULATION'S ELEVENTH SET OF REQUESTS  
FOR INFORMATION**

**MARCH 29, 2021**

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**Question No. CARD 11-1:**

Refer to the Direct Testimony of Chad Burnett at 5. According to Figure CMB-1, Industrial sales vary approximately 10% between summer and shoulder months. Please explain what level of variability is necessary before industrial sales are weather normalized.

**Response No. CARD 11-1:**

It's not clear how the questioner defined a shoulder month. While April was about 10% lower than the peak month in the summer (July) in Figure CMB-1, October was only down 1%. It's also important to point out that the April comparison has 1 less day which would explain 3.3% of the deviation. For comparison to the weather sensitive classes, the shoulder months (defined as April, May, October, and November) were down approximately 40% from the peak month in Residential and down approximately 25% in the Commercial class.

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Title: Dir Economic Forecasting

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**Question No. CARD 11-2:**

Refer to the Direct Testimony of Chad Burnett at 10. Figure CMB-3 shows the test year ending March 2020 energy slightly lower than the Docket No. 46449 test year energy. Please explain if these are both customer and weather adjusted amounts and provide an explanation of the reasons for the decline in energy since the prior test year.

**Response No. CARD 11-2:**

The data for both series in Figure CMB-3 are weather adjusted kWh for the 12 month periods. The overall 0.3% decline in SWEPCO-TX retail normalized load is mixed by class. Residential and Industrial GWh were slightly higher than the 12 months ending Jun-16, but more than offset by lower GWh in the Commercial and Other Retail classes.

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**Question No. CARD 11-3:**

Refer to the Direct Testimony of Chad Burnett at 10. Please provide an update on the status of the idling of the U.S. Steel plant near Daingerfield, TX. When was the plant idled? Has any restart of the plant been announced? If so, when is the restart? Does SWEPCO provide any service to the plant while it is idled? If so, how much energy by month.

**Response No. CARD 11-3:**

The plant was idled in May 2020. No plans to restart have been announced. [REDACTED]  
[REDACTED]

Certain information responsive to this request is HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

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**Question No. CARD 11-4:**

Refer to the Direct Testimony of Chad Burnett at 10. Please provide an update on the status of the closure of the Domtar paper machine plant in Ashdown, AR. When was the plant closed? Has any restart of the plant been announced? If so, when is the restart? Does SWEPCO provide any service to the plant while it is closed? If so, how much energy by month.

**Response No. CARD 11-4:**

The paper machine line was shutdown Aug 2020. No restart plans have been announced for the paper machine line. [REDACTED]

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**Question No. CARD 11-5:**

Refer to the Direct Testimony of Chad Burnett at 10. Please provide an update on the status of the closure of the Libby Glass plant in Shreveport, LA. When was the plant closed? Has any restart of the plant been announced? If so, when is the restart? Does SWEPCO provide any service to the plant while it is closed? If so, how much energy by month.

**Response No. CARD 11-5:**

The plant ultimately closed at the end of the calendar year 2020. [REDACTED]

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**Question No. CARD 11-6:**

Refer to the Direct Testimony of Chad Burnett at 11. Is SWEPCO aware of any large commercial or industrial facility planned to begin construction or operation within its service area in 2020 or later? If so, please describe the facility and the amount of demand and energy expected to be provided by SWEPCO. Did SWEPCO make any pro forma adjustments to the test year to account for these facilities? If so, please indicate where that information can be found in the filing.

**Response No. CARD 11-6:**

[REDACTED]

[REDACTED]

The information responsive to this request is HIGHLY SENSITIVE MATERIAL under the terms of the Protective Order. Due to current restrictions associated with COVID-19, this information is being provided electronically and a secure login to access the information will be provided upon request to individuals who have signed the Protective Order Certification.

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**Question No. CARD 11-7:**

Refer to the Direct Testimony of John Aaron at 14. Please clarify if the allocation factors and processes reflected in the cost-of-service studies are the same as those approved by the Commission in Docket No. 46449 and updated in Docket No. 48233.

**Response No. CARD 11-7:**

Please see Schedule P-13. The allocation factors and processes are the same as those approved by the Commission in Docket No. 46449. There were no updates to allocation factors in Docket No. 48233 since that docket was to implement a base rate decrease for the change in Federal income taxes.

Prepared By: John O. Aaron

Title: Dir Reg Pricing & Analysis

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**Question No. CARD 11-8:**

Refer to the Direct Testimony of Jennifer Jackson at 24. Please explain the methodology for how SWEPCO is proposing to apply different rate changes to the North and East service territory lighting tariffs in order to move toward consolidating the lighting rates.

**Response No. CARD 11-8:**

Municipal street lighting service customers in the North Texas service area are served under the Municipal Street Lighting SL-521 rate schedule. There are approximately 1,300 fixtures in the North Texas area, with annual base rate revenues of \$211,407 in the test year, approximately 9% of the total municipal street lighting present revenue represented only 4.5% of the total fixtures and the average charge is two times higher. The goal of the lighting rate design was to decrease the rates in the North Texas area to more closely represent the East Texas area for similar lighting service. The specific service areas have different amounts of investment built into the base rates based on historical precedent. The methodology employed included finding an average total cost (facilities plus monthly charge) per fixture for the East area in order to compare to the average cost of the North Texas area with the goal of moving the North average cost approximately 50% closer to the East area average charge. This required reducing the cost of the North fixture charges by 21.5%.

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**Question No. CARD 11-9:**

Refer to the Direct Testimony of Jennifer Jackson at 25. Please explain the purpose of closing all lighting schedules except for the LED class of fixtures to new customers and new installations. What is the cost impact of replacing an existing high pressure sodium streetlight with an equivalent LED light?

**Response No. CARD 11-9:**

The purpose of closing the non-LED lighting tariffs to new customer installations recognizes that other lighting technologies are outdated, less efficient, and have higher maintenance costs. Non-LED technology is being phased out by the manufacturing companies, in the same manner that incandescent lighting is also being phased out and will no longer be supported and eventually not available. Closing the existing non-LED tariffs to new installations allows for a transition period to more efficient lighting technologies and would eliminate significant future maintenance costs on the new installations. The total cost impact varies based on the current fixture and the replacement fixture. The labor associated with the installation and/or replacement is approximately \$50.00 for each fixture. Please see Docket No. 50786, *PETITION OF SOUTHWESTERN ELECTRIC POWER COMPANY TO IMPLEMENT RATE SCHEDULES MUNICIPAL STREET AND PARKWAY LIGHTING AND AREA LIGHTING-LIGHT EMITTING DIODE* for additional information.

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**Question No. CARD 11-10:**

Refer to the Direct Testimony of Jennifer Jackson at 27. Please provide workpapers supporting:

- a. the proposed credit of \$0.03310 per kWh for PEV off-peak period usage.
- b. the \$8.91 per month charge for an AMI meter capable of measuring the PEV usage.

**Response No. CARD 11-10:**

Please see SWEPCO's response to OPUC 5-9 Attachment 1.

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